App. F. IX-4

Previous References

1939.
( )
Legs

File No. ~~12~~ 37-39
Serial Nos. 12-14

Later References.

(60)

GENERAL AND REVENUE SECRETARIAT

Serial Nos. J Legs only

Part B for February 1941.

SUBJECT.

Requests for examination under the Money Lend

WD 0573—GPB—22,500—12-9-39

NOTES

MYSORE GOVERNMENT SECRETARIAT

File No.....

Department of .....

Section.....

Subject :

References :

Date	To whom sent	Notes and instructions

J.A.Gill,
c/o IMPERIAL BANK OF INDIA

ALL LETTERS TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 28th August 1939

No.

My dear Mr.Subrahmanya Aiyar,

On the 22nd instant I sent you officially in your position as Law Secretary a copy of my letter of the same date addressed to the Chief Secretary regarding the exclusion of the Imperial Bank of India from the provisions of the Mysore Money Lenders' Act. I am somewhat worried as I have received information that the Imperial Bank is only to be exempted from certain portions of the Act and not from the Act as a whole.

I followed the course of the Act through the Legislature but did not worry much about it as I was assured that it would not be applied to the Imperial Bank. If I had thought, at an earlier stage, that we would not be totally exempted I would have arranged for strong representations to have been made.

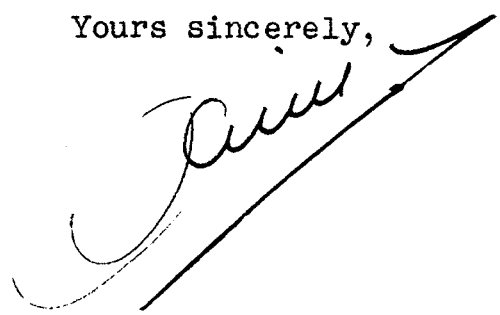
In the circumstances I would be most grateful to you if you could kindly use your influence to effect the total exemption of the Imperial Bank in the Notification about to be issued and the rules in the course of preparation.

In addition to registration, licence, inspection of accounts, we wish to be exempted from the maximum rates of interest and compound interest as it is our practice and the

practice of the Imperial Bank throughout India to charge interest quarterly, whereas the Act provides only for yearly rests. Further, our rates for this compound interest are in some cases slightly greater than the maximum of 6% laid down for compound interest. The provisions referred to comprise practically the whole of the Act and in the circumstances I think that, if it is not expecting too much, the best thing to do would be to give the Imperial Bank total exemption.

As mentioned above, I shall feel very beholden to you if you will kindly exert your influence in the matter.

Yours sincerely,



C.Subrahmanya Aiyar,Esq.,B.A.,B.L.,
Law Secretary to the Govt. of Mysore,
Old Public Offices,
Bangalore.

1671/P

J.A.Gill,
c/o IMPERIAL BANK OF INDIA,

ALL LETTERS TO BE ADDRESSED TO
THE AGENT

TELEGRAPHIC ADDRESS
"THISTLE"

REV. SECRETARIAT
11. SEP. 1939

BANGALORE 7th. September 1939.

No.

My dear Mr.Subrahmanya Aiyar,

I addressed you on the 28th August regarding the exclusion of the Imperial Bank of India from the provisions of the Mysore Money Lenders' Act but have so far received no communication from you in reply. I would be most grateful if you could kindly let me know if any decision has been made regarding the total exemption of the Imperial Bank from the Act.

I have been in communication with our Bombay Office regarding their exemption from the Bombay Act and have been informed that the Bill is still before a Select Committee and that the applicability of the measure to the Imperial Bank has not yet been decided. Bombay Office advise that the Bengal Money Lenders' Bill and the Central Provinces Reduction of Interest Act, exclude Banks. Our Calcutta Office has been addressed regarding the Bengal Money Lenders' Bill and Nagpur Branch regarding the C.P. Reduction of Interest Act. I have not so far received their replies.

As stated in my previous letter, I shall feel very beholden to you if you will kindly exert your influence in the matter of the total exemption of the Imperial Bank from

G.A.Gill,
C/O

7th. September 39

My dear Mr.Subrahmanya Aiyar

I addressed you on the 28th August regarding the exclusion of the Imperial Bank of India from th provisions of the Lyeore Money Lenders' Act but have so far received no communication from you in reply. I would be most grateful if you could kindly let me know if any decision has been made regarding the total exemption of the Imperial Bank from the Act.

I have been in communication with our Bombay Office regarding their exemption from the Bombay Act and have been informed that the Bill is still before a Select Committee and that the applicability of the measure to the Imperial Bank has not yet been decided. Bombay Office advise that the Bengal Money Lenders' Bill and the Central Provinces Reduction of Interest Act exclude Banks. Our Calcutta Office has been addressed regarding the Bengal Money Lenders' Bill and Nagpur Bench regarding the C.P. Reduction of Interest Act. I have not so far received their replies.

As stated in my previous letter, I shall feel very beholden to you if you will kindly exert your influence in the matter of the total exemption of the Imperial Bank from

the Mysore Money Lenders' Act.

Yours sincerely,

C.Subrahmanya Aiyar,Esq.,B.A.,B.L.,
Law Secretary to the
Government of Mysore,
Old Public Offices,
Bangalore.

Request for exemption from Moneylenders Bill.

General and Revenue Secretariat | File No. | of 193 | [App. F. III-2

Serial No.

Telegram

dated 17.6.39 from Mr. Lunidassingh Sabramsingh President Sinhe Sikapura Bankers

praying that the Sinhe Sikapura Bankers may be exempted from the operation of the Moneylenders Bill.

(1) Under the Moneylenders Bill which was passed at the recent session of the Legislative Council, power is given under clause 1(2) to exclude any moneylender or class of moneylenders from the operation of all or any of the provisions of the Act.

(2) The question of exemption will arise after the Bill becomes law and when the provisions of the Act (and rules) are notified as coming into force. This prayer may perhaps be considered then.

Subt. for order. The petitioners may be required to make an application after the Act becomes applicable to the area. Subt for order.

(1) Interim letter as above issued

Law Secretary) 3/6/39

(3) Maybe examined after the Act is notified — C 8/7 3/7/1939

139/6/39

From

Assistant Secretary and Attorney Readymoney

NOTE—Contn. Sheet.

Re Moneylenders Bill

File No. of 193

General and Revenue Secretariat.

From

Serial

Mr. Nadal Ramsmall

Letter dated 7.7.39:

forwarding a memorandum signed by all Marwari moneylenders in regard the Moneylenders Bill

(6) Two suggestions are put forward to be considered when framing rules.

(7) (a) That under section 9, Hindi shall be one of the languages in which accounts shall be allowed to be kept

(8) (b) That petty transactions of below Rs 50/- shall be exempted from et section 14 regarding maximum rate of interest allowable.

(9) The latter was considered and negatived by the Select Committee and also by the Legislative Council.

(10) The former will be considered when the rules are framed.

(11) Submitted for orders. A draft reply is also put up.

(12) Yes ✓

11/7

Draft reply No. P 229 dated 12.7.39

TYPING SECTION
11 JULY 1939
GEN. & REV. SECTT.

Requests for exemption under the Banking Act.

General and Revenue Secretariat. | File No. | of 19 . | [App. F. III-2

Serial No.	
	From The Imperial Bank of India Bangalore No 895 dated 22nd August 1939 requesting that the Bank may be exempted from the Provisions of the Act
13	In the file relating to Rules and Notifications under the Act, orders have already been passed that the Imperial Bank of India may be exempted from the Provisions of Chapters II and III. relating to Registration and licensing and the 'Regulation of accounts'. No institution will be exempted from all the Provisions of the Act since Chapter IV relating to rate of interest has been ordered to be applied to the Whole State.
14	A draft reply acknowledging the P. O. D is put up for orders of Imperial Bank of India Done 26.8.39 PAM (for Secretary) 3/26/8 16 26/8 30/8/39.
	Issued P 1295 dated 31-8-39 to the Agent, Imperial Bank of India, Bangalore
	From The President, Sirsh Shikarpur Bankers Association, Bangalore letter d 24.8.39 requesting exemption from the Whole Act or at least certain Provisions thereof
17	The request in the letter is that for the reasons set forth in

NOTE-Contn. Sheet.

Requests for exemption under Moneylenders Act.

File No. of 19

General and Revenue Secretariat.

Serial No.

in the letter re members of the Association may be exempted from the operation of the Act.

18 orders have already ~~issued~~ been passed. But no such exemption should be granted in any case since Chapter IV relating to interest should apply uniformly all over the State.

19 The next request is that if general exemption is not given, the members may be exempted from

(a) obtaining licence and

(b) maintaining accounts in any particular language.

20 Re (a) the D. C's have been asked to state who all require licensing and replies are awaited.

21 Re (b) orders have been passed that accounts may be kept in any language provided a true translation in English or Kannada is given by the debtor.

22 A draft reply to the President of the Association is put up for orders.

23-9-39

Sone
7.9.39

Done

21/9/39

TYPING SECTION

Forwarded D.O.P. 1676 dated 11.9.39 to the President Shimoga Bankers Association: Bangalore.

From.

J. A. Gill Esq. Agent. Imperial Bank of India.
D.O. to the Law Secretary dated 28.8.39 and.
D.O. to — do — dated 7.9.39.

Law Secretary's instruction are that the letters may be kept in the file

Sone
12/9/39

Request for exemption under the Moneylenders Act

eneral and Revenue Secretariat. | File No. 378 of 19 . | [App. F. III-2

Serial No.

From

J. A. Gill Esq. Imperial Bank of India

letter d 18. 9. 39 requesting for total exemption of the Imperial Bank from the Act.

Law Secy's note on P. U. D.

" acknowledge and state the matter is receiving attention " sd) Cs 19.9.

Issued DO. no P 2137 . d 20. 9. 39.

From

The Imperial Bank of India

letter dated 7. 12. 39

requesting to know if the Govt have decided about the exemption to be given to the Imperial Bank.

The Rules are almost ready and the question of exemption have been already ordered to be considered after the Rules are published.

A draft to the P. U. D. is put up.

Law Secy). 3 24/12/39

Done 21.12.39

6 21/12

Jn 3 24/12

Issued Dr. P 4349 d 22. 12. 39 to Mr. J. A. Gill

SECY. LAW DEPT. 21 DEC. 1939 GOVT OF INDIA

NOTE—Contn. Sheet

4341 P

Request for exemption under the Moneylenders Act

File No. of 19 .

General and Revenue Secretariat.

Serial No.

From

The Bank of Mysore Ltd Bangalore

No M 6. d 3. 1. 40

requesting a notification exempting the Bank from the Moneylenders Act

A draft reply that the matter is under consideration of Government is put up for orders. On the file re Rules it has been ordered that the Bank may be exempted. But a notification has not yet issued and for that it may not perhaps be desirable to commit Govt.

Government Secretary Dy

12.1.40.

Law Secretary) 3/1/41

13/1

Issued P 4758 d 13. 1. 40 to the Manager, Bank of Mysore

SECY. LAW DEPT. 13 JAN. 1940 GOVT OF MYSORE

Rules under the Moneylenders Act have been Published in the Gazette of the 8th instant. Exemption from the Act has been granted to the Imperial Bank of India inter alia the Mysore Bank.

A draft to the Agent Imperial Bank is put up as ordered by the Law Secretary.

Government Secretary Dy

9.2.40

Law Secy) 3/1/41

Issued Do P 5543 dated 12.2.40 to Mr. F.A. Gill. Agent Imperial Bank of India.

SECY. LAW DEPT. 13 FEB. 1940 GOVT OF MYSORE

Requests for Exemption under the Exemption Act.

General and Revenue Secretariat.

File No. of 19 . [App. F. III-2

Serial No.

Rules under the Act have been published in the Gazette of the 8th instant.

It was ordered that the requests for exemption might be considered after the Rules are published.

(1) The request of the South Kanara Bankers Association is that they may be exempted completely from the Act. In the alternative licensing may not affect them and they be permitted to keep accounts in their usual language. Licensing has not yet been brought into force. Moneylenders are allowed to keep their accounts in any language subject to certain safeguards.

(2) The Marwadi Association have two requests:

(1) they might be allowed to keep accounts in Hindi

(2) that pawnbroking transactions below Rs 50/- might be exempted from the provisions of ch IV relating to interest.

The former has been conceded by the Rules. The latter was the subject of discussion in the Leg but such a suggestion was negatived.

The Imperial Bank of the Mysore Bank has been granted complete exemption.

No other request appears on the file and it will be closed if approved.

Sd Scanlan 3 13/4/40

Sd 13.4.40.

RMW

C 1892 3 14/4

A fresh index shall be prepared for each calendar year. The name of each moneylender shall be indexed as soon as the entires relating thereto are made in the Register of Moneylenders.

(*b*) The duplicate copy of the index shall be sent to the District Magistrate of the District within which the Registrar exercises jurisdiction as soon as an entry is made therein.

(*c*) After the names of all the moneylenders registered in a year have been indexed, the index shall be checked by the Registrar who shall add a certificate in token of such check and the pages shall then be numbered in ink.

(*d*) The index for each year shall, after it has been checked by bound into volumes of convenient size.

(*e*) The District Magistrate shall, at the end of each calendar year make from the duplicates of the several indexes received by him, a list of all moneylenders registered in his District in alphabetical order and send a copy of the list to Government not later than the end of January of the succeeding year.

5. Every application for registration under section 5 of the Act shall be made in Form III of the Schedule to the Registrar appointed for the area in which the principal place of business of the moneylender is situated or in which he intends to carry on the business of moneylending.

6. Every such application for registration shall be made on Mysore Stamp Paper of the value of Rupees three and shall be signed and verified in the manner provided in the Code of Civil Procedure, 1911, for the signature and verification of pleadings.

7. Every such application shall be accompained by an affidavit stating whether any court has made any order in relation to the applicant under section 19 or section 20 of the Act.

8. Every application for registration shall be presented by the applicant in person or by his authorised agent; provided that in the case of a firm any one of the partners may present it.

The application shall be presented at any time during working hours on any working day.

9. If the Registrar, after such enquiry as he deems fit about the place of business of the moneylender, considers that he is not the proper authority to receive the application, he shall return the same for presentation to the proper authority.

10. On the receipt of an application, the Registrar shall endorse on it the date of its presentation and shall duly punch and cancel the Stamp and put his initials and the date across it. If he finds after making such enquiries as he deems fit, that the registration of the moneylender will not offend against any order made under section 19 or section 20 of the Act, he shall enter the name of the moneylender in the Register prescribed by rule 3 of the Rules.

11. On registration of the applicant's name under the preceding rule, the Registrar shall issue a certificate in Form IV of the schedule to the moneylender or his authorised agent.

12. The procedure set out above for registration of a moneylender shall be followed in the case of an application for renewal of registration also.

Provided that rule 7 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application;

Provided further that the Registration Certificate already issued to him shall be surrendered and accompany the application for renewal.

13. When a moneylender whose name is registered under the provisions of section 4 of the Act ceases to carry on the business of moneylending, he may apply to the Registrar who issued the Registration Certificate to cancel his registration and shall surrender the Certificate.

14. On receipt of such application, the Registrar shall cancel the Certificate by endorsing on it in red ink the words "CANCELLED" under his signature and with the date of so doing and shall lodge the cancelled Certificate in the records. The Registrar shall next make an entry in the Register of moneylenders indicating the fact of cancellation and the date thereof.

III Licensing.

15. No application for the grant of a Licence shall be made unless the applicant has been registered as a moneylender under section 5 of the Act.

16. Applications for the issue of a Licence shall be made in Form V of the Schedule to the Registrar who issued the Registration Certificate.

17. The provisions of rule six regarding signature and verification shall apply to applications for the grant of a Licence also.

18. The fee for the grant of a Licence shall be rupees five only and shall be paid into the State Huzur Treasury or any District of Taluk Treasury, the receipt therefor being sent with the application, or by the purchase of Mysore Court Fee Stamps of the value of rupees five which shall be affixed to the application.

19. Every such application shall be accompanied by an affidavit stating whether any Court has made any order in relation to the applicant under section 19 or section 20 of the Act.

20. After verifying whether the applicant has a subsisting Registration Certificate and after making such enquiries as he deens fit, if the Registrar is satisfied that there are no grounds for refusing the grant of a Licence, he shall issue a License in Form VI of the Schedule and shall also immediately make an entry in the Register against the name of the moneylender showing the grant of the Licence and the date of issee of the same.

21. Every Licence shall be current for one year from the date of its issue and shall be valid only within the Revenue District within which the principal place of business of the moneylender is situate or within which he intends to carry on the business of moneylending.

22. The registrar may however, after making such enquiries as he may deem fit of other Registrars in other Districts, extend the validity of the Licence to any other District or Districts, if the applicant so desires, on payment of a Licence Fee of rupees two a year for every such District to which he wants the Licence to be extended, subject to a maximum of rupees fifteen a year (including the initial fee of rupees five) for the whole State, the payment being made in the manner prescribed by rule 18

Provided that in no case shall a licence be extended beyond one year from the date of its original issue.

In every case of such extension the Registrar shall send to the Deputy Commissioner or Deputy Commissioners of the other District or Districts, as the case may be, intimation in writing of such extension giving particulars about the name of the money-lender, the number of his Registration Certificate and Licence and the dates of their issue.

23. The procedure set out above for the issue of a Licence shall be followed in the case of an application for renewal:

Provided that rule 19 shall be deemed to be satisfied if the affidavit contains information in regard to the period that has elapsed since the making of the last application.

24. Each licence shall be given a number corresponding to the number of the Registration Certificate on which the licence is issued, and the date of expiry of the Licence and the District or Districts in which it is valid shall be entered boldly on the face of the licence in the places assigned to them.

25. When a Court cancels the Registration or Licence of the money-lender under section 19 of section 20 of the Act but not permanently, it shall be competent to the money-lender to make a fresh application for registration or for the issue of a licence, as the case may be, in conformity with the rules set out above in that behalf, after the expiry of the period for which the Registration or Licence would have been valid if it had not been cancelled.

Provided that the money-lender produces with his application a certified copy of the order of the Court cancelling his Registration or Licence.

IV. Regulation of Accounts

26. Every money-lender shall keep his accounts in Form VII of the Schedule, in bound books, the pages being stitched and bound together and not being detachable. The pages should also be consecutively numbered.

27. Every moneylender shall keep a separate account in respect of each loan.

28. The name and address of the debtor and in the case of joint-debtors, of each joint-debtor shall be entered at the head of the account.

29. Each entry in an account shall be dated with the date of the transaction to which it relates and shall, as for as possible, be made on such date, but never later than the next working day.

30. The account shall show the balance of account of the principal and interest outstanding against the debtor on the 31st day of December of every year and shall also show the balance outstanding on the date of any statement of account prepared in accordance with sub-section (1) of section 11 of the Act.

31. Accounts may be kept by a moneylender in the language usually employed by him in keeping his accounts. the script and numerals being the same as those ordinarily used with the particular language employed:

Provided that where the language employed is other than English or Kannada, the receipt to be given to the debtor as well as the statement of account to be furnished to him under Section 10 or section 11, as the case may be, of the Act shall be only in English or Kannada:

Provided further that where an English or Kannada translation of the original statement of account is furnished to the debtor or where a receipt is given to him, the moneylender shall affix at the end of such translation a certificate to the effect that it is a true translation of the original. If a third person is responsible for the translation, the certificate should be signed by him also.

32. Where there are two or more joint-debtors, the creditor shall, in the absence of an agreement to the contrary, give the receipt to the joint debtor named first at the head of the account or to his agent.

33. The statement of account to be furnished to a debtor under sub-section (1) of section 11 of the Act shall be in Form VIII of the Schedule.

34. The fee which may be charged by a creditor for a statement of account shall be annas four. The fee shall be charged separately in respect of each loan and each requisition.

The fee shall be entered in the account and shall be recoverable by the creditor as if it were included in the loan but no interest shall be charged thereon.

35. The statement of account shall be sent to the debtor by registered post, acknowledgment due, to the address given in the requisition made by the debtor.

In the case of joint-debtors, the statement of account shall, in the absence of an agreement to the contrary, be sent in the manner laid down above to the join-debtor named first at the head of the account.

36. Notwithstanding any thing contained in rule 35, if the debtor or in the case of joint-debtors the joint-debtor named first at the head of the account, agrees in writing to the statement being delivered personally, it shall not be necessary to send it by registered post.

37. Where a debtor or joint-debtor takes personal delivery of the statement of account, he shall acknowledge the receipt of the same in writing.

The debtor or the joint-debtor, as the case may be, shall be sign the acknowledgment, or if he is illiterate affix his thumb impression thereto.

38. The postal registration and acknwledgment charges incurred under rule 35 shall be entered in the account and shall be recoverable by the creditor as if such charges were included in the loac, but no interest shall be charged thereon.

39. If the statement of account is sent by registered post, the production of the postal receipt and acknowledgment shall be sufficient proof of the sending of such statement.

40. The sum which may be charged by a pawn-broker for a copy of the entries in his account deliver by him to the pawner under sub-section (2) of section 12 of the Act shall be one anna.

V. Application to Government and fee therefor.

41. An application to the Government by a money-lender under section 21 of the Act to remove a disqualification imposed on him by a Court under section 19 or section 20 of the Act shall be in Form IX of the Schedule.

42. A fee of rupees two shall be paid on every such application by affixing Court Fee Stamps of that value to the application.

43. A copy of the order of the Court imposing the disqualification shall invariably accompany the application.

VI. Penalities.

44. Any breach of any of these rules or of any condition imposed under any of the Forms in the Schedule shall be punishable as if under section 20 of the Act.

FORM I.

(See Rule 3.)

REGISTER OF MONEYLENDERS.

(MAINTAINED UNDER SECTION 4 OF THE MYSORE MONEYLENDERS ACT, 1939.)

1. Serial number of moneylender.
2. Name of moneylender.
3. Date of registration.
4. Address of moneylender.
5. Principal place of business of the moneylender.
6. Other places of business of the moneylender, if any.
† 7. Order of Court, if any, under section 19 or section 20 of the Act.
† 8. Whether Licence is issued to the moneylender.
   (b) If so, date of issue of
      (i) First Licence.
      (ii) Renewal.
      (iii) Renewal.
9. Remarks.

Signature.

---

* If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager to Agent should be given against item (2) above.

† When these entries are made after the monevlender has been registered they should be initialled by the officer making them.

FORM No. II.

(See Rule 4)

INDEX TO THE REGISTER OF MONEYLENDERS.

(TO BE IN DUPLICATE)

Page No.

Name of Moneylender	Principal place of business	Other places of business, if any	Volume No.	First page of entry	Number borne on Register	Date of Registration	Remarks.

Signature.

470

10

FORM III.

(See rule 5.)

APPLICATION FOR REGISTRATION AS A MONEYLENDER.

To

The Registrar.

We / I desire to be registered as a moneylender under section 5 of the Mysore Moneylenders Act, 1939.

1. Applicant's name.
2. Address.
3. Principal Place where he intends to carry on business.
4. Other places of business, if any.
5. Whether affidavit under x rule 7 has been attached.
6. Remarks.

Place
Date

Signature.

Verification.

Place
Date

Signature.

*If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

FORM IV.

(See rule 11.)

CERTIFICATE OF REGISTRATION UNDER THE MYSORE MONEYLENDERS ACT, 1939.

Certificate No. Of....(place of issue).....dated.....

I.....(name) ..Registrar of moneylenders at ...(place of issue).....do hereby certify that....(name of moneylender).....has been duly registered as a moneylender under section 5 of the Mysore Moneylenders Act, 1939, and is authorised to carry on business as a Moneylender at.....(principal place of business).....and at..... (other places of business, if any).....subject to the provisions of the said Act and the Rules framed thereunder and also to the following conditions :—

1. This certificate should be exhibited at a conspicuous place within the premises of the business (principal place of business).

2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business, if any, and the books of account shall be open for inspection by an Inspecting Officer at any time.

3. This certificate should not be transferred or soled Nor should it be amended.

4. All corrections in this certificate should be made and attested by the authority who issued the certificate.

5. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders Act, 1939, or of any of the Rules issued thereunder will entail the penalties that may be imposed under that Act or the Rules thereunder.

Signed.
Registrar.

Date..... .....(place).....

FORM V.

(See Rule 16.

APPLICATION FOR LICENCE UNDER THE MYSORE MONEYLENDERS ACT, 1939.

To

The Registrar of Moneylenders.

We / I desire to be licenced to carry on the business of moneylender under Section 7 of the Mysore Moneylenders Act, 1939.

*1. Applicant's name.
2. Whether applicant has a subsisting registration certificate.
3. Number of the Registration Certificate, place of issue and date.
4. Address.
5. Principal place of business.
6. Other places of business, if any.
7. Whether affidavit under Rule 19 has been attached.
8. Remarks.

Signature.

Place.
Date.

Verification.

Signature.

Place.
Date.

*If the application is made on behalf of a Company, the name and address of the Company and the name of its Manager or Agent should be given against item (1) above.

Bull

15

FORM VI.

(See Rule 20).

LICENCE UNDER THE MYSORE MONEYLENDERS ACT 1939.

Licence No. of.....(place of issue).....dated.....

Date of issue. Date of expiry.

District of Validity.

District or Districts to which extended.

I.....(name)...Registrar of moneylenders at...(place of issue)..... do hereby certify that.....(name of moneylonder).....having been duly registered as a moneylender under Section 5 of the Mysore Moneylenders Act, 1939, is hereby licenced to carry on the business of moneylending within the District of.....(name of District).....at..... (principal place of business).....and.....(other Districts, if any and other places of business, if any).....subject to the provisions of the Act and the Rules made thereunder and also to the following conditions :—

1. This Licence should be exhibited at a conspicuous place within the principal place of business of the moneylender.
2. A correct account should be kept of the daily transactions of the principal place of business and of the other places of business, if any, and the books of account shall be open for inspection by an Inspecting Officer at any time.
3. This Licence should not be transferred or sold. Nor should it be amended.
4. All corrections in this Licence should be made and attested by the authority who issued the Licence.
5. This Licence should be produced before any Court which requires its production.
6. Breach of any of these conditions or of any of the provisions of the Mysore Moneylenders Act, 1939 or of any of the Rules issued thereunder will entail the penalties that may be imposed under that Act or of the Rules thereunder.

Signed.

Registrar.

..(place)...

Date.

FORM VII.

(See Rule 26).

FORM OF ACCOUNTS OF A MONEYLENDER.

(TO BE MAINTAINED UNDER SECTION 9 OF THE MYSORE MONEYLENDERS ACT, 1939).

ACCOUNT OF.....(Name of debtor.....son of..... Caste.....Residence.....

Name and address of owner of article pawned..... (In the case of pawnbrokers and where the pawner is not the owner of the article pawned).

Full and detailed description of articles or each of the articles pawned..... (Only in the case of pawnbrokers).

Opening Balance..... (As on the date of the 31st December of the last preceding year or on the date of the last statement of account if any, whichever is the later).

Principal.....

Interest.....

Dr. Cr.

Date		Particulars of advance in figures	Rate of interest	Amount of interest charged	Date	Particulars of repayment in figures	Appropriation	
Of transaction	Of entry						Principal	Interest

Principal..... Interest..... * Balance outstanding on the 31st December.....

Add opening balance as above. ....

Total

Signature of Creditor.

* Where a statement of account is furnished to the debtor under Section 11 (1) of the Act, the account should be closed on that date and the balance struck as on that date.

FORM VIII.

(See Rule 33.)

STATEMENT OF ACCOUNT TO BE FURNISHED TO A DEBTOR.

(UNDER SECTION 11 (1) OF THE MYSORE MONEY LENDERS' ACT, 1939.)

Account of .....(name of debtor) .....

Son of.....Caste.....

Residence .....

Opening Balance..... (as on the date of the last statement of account, if any, or on the 31st December of the last preceding year.)

Principal

Interest.

Dr. *Cr.*

Date	Particulars of advance	Amount of interest charged	Date	Particulars of repayment	Appropriation	
					Principal	Interest

Signature.

Where the accounts are kept in a language other than English or Kannada, this statement of account should be a true translation of it and a certificate to that effect should be affixed to it signed by the money lender and if made by a third person, by him also. (See rule 31.)

FORM IX.

(See Rule 41.)

APPLICATION TO GOVERNMENT FOR REMOVAL OF DISQUALIFICATION.

BEFORE THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Petition No. ..... of.....under the Mysore Money lenders' Act, 1939.

Petitioner (name and address).....

.....

Under Section 21 of the Mysore Money lenders' Act, 1939, the petitioner abovenamed begs to state as follows :—

(here set out the facts.)

(next set out the grounds on which the removal of disqualification is claimed.)

Wherefore the petitioner prays that the disqualification imposed on him by.....(name of Court)..... may be removed.....(or any other prayer that the petitioner desires to make).....

Date..... Petitioner.....

Place.....

Verification.

Date..... Petitioner.....

Place.....

A Court Fee Stamp of the value of rupee two should be affixed to the petition.

NOTIFICATION.

No. P. 5266—*Legis.* 37-39-2, *dated Bangalore, 3rd February* 1940.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to apply all the provisions of the said Act excepting the provisions of section 7 and section 8 to the whole of Mysore.

They are further pleased to direct that these provisions shall come into force on and from the 1st day of April 1940.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

NOTIFICATION.

No. P. 5267—*Legis.* 37-39-3, *dated Bangalore, the 3rd February* 1940.

In exercise of the powers conferred by sub-section (2) of section 1 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to exempt the Bank of Mysore Ltd., Bangalore, the Imperial Bank of India, Ltd., and all their Branches and all Co-operative Societies registered under the Mysore Co-operative Societies Act, 1918, from the operation of this Act.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

NOTIFICATION.

No. P. 5268—*Legis.* 37-39-4, *dated Bangalore, the 3rd February* 1940.

In exercise of the powers conferred by section 3 of the Mysore Moneylenders Act, 1939, the Government of His Highness the Maharaja are pleased to appoint all Sub-Registrars appointed under the Mysore Registration Act, 1903, to be Registrars of moneylenders within their respective jurisdictions.

By Order,
C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

NOTIFICATION.

No. P. 5269—*Legis.* 37-39-5, *dated Bangalore, 3rd February* 1940.

In exercise of the powers conferred by sub-section (1) of section 13 of the Mysore Moneylenders Act, 1939 the Government of His Highness the Maharaja are pleased to authorise all Assistant Commissioners in charge of Revenue Sub-divisions to inspect the accounts of moneylenders within their respective jurisdictions.

By Odrer,
C. SUBRAHMANYA AIYAR,
Secretary to Government,
Law Department.

WD 2090—GBPM—800 forms—24-5-39.

786

No. 6255/1

.....

27 JUN 1939

The petition, of which particulars are given below, to His Highness the Maharaja, is forwarded with compliments for favour of disposal.

To

The Secretary to the Government
of H. H. the Maharaja of Mysore.
Law Department,
Bangalore.

By Order,

For *Private Secretary*
to H. H. the Maharaja of Mysore.

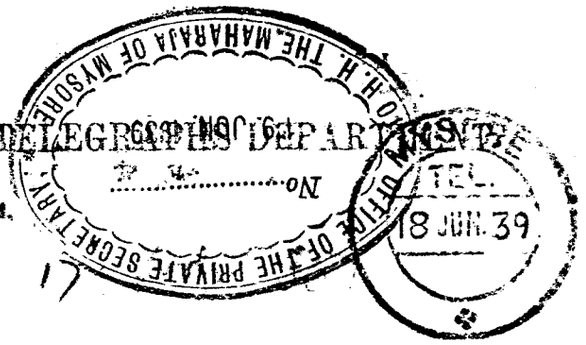
No. P.639 of 1938-39

Petition dated 17-6-39 from Mr. Lunida Singh Satram Singh President, Sindh Shikarpur Bankers' Firm at Bangalore and Mysore praying that the Money Lenders' Bill should not be made applicable to them.

C/4.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

PRESS TELEGRAM.



VF

Shikarpur Sind 17

His Highness the Maharaja of Mysore
Mysore

We the Sind Shikarpur bankers whose firms are situated in Bangalore and Mysore for long ages had first submitted our humbled memorandum requesting that moneylenders bill should not be made applicable to us regret to find that no Consideration has been so far afforded to us to relieve us from - The epedemic of the bill under Contemplation we are the class of bankers who do not come under the category of moneylenders as we do not deal with petty people but we carry on banking business on a very large scale and deal with trading classes millowners manufacturers and other - merchantile people on whom depends the prosperity of the country we are not the class of moneylenders who harrass debtors or go to their houses or create any conflict with our Constituents the bill is intended to save the poor ignorant debtors whereas such not being the case with our —

Lal Chand & Sons, Printers, Calcutta—No. 139 R(B-58)—18-5-37—10,00,000.

C/4.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

PRESS (TELEGRAM.

Our clients who are literate and very sensible businessmen hence also it should not apply to us in all respects our dealing are like mysore imperial and central banks who if necessary may be referred to regarding our respectability integrity etc the bill in all its form is harrassing as we — foresee all the consequences of its threatening construction in no area of british govt the moneylender bill has been so shaped and moulded as in the mysore state the mysore state is the state of Ram raj and to pass such laws especially for the quiet and peaceful domiciled subjects — Of our style will mean nothing but to forcibly drive them away from the doors of the dominion we finance the people there without any security on small rates of interest with reasonable facilities for repayment and with all fairness and justice required of a best bank and a banker — The facilities as we afford cannot be given by any bank with as the best and honest banking habits rooted in us which themselves speak about our business and with all our peaceful living if we be harrassed by the application of the bill it will be putting us into — Unnecessary awe and fear and will destroy the best economic structure

La Chand & Sons, Printers, Calcutta—No. 139 3(B-59)—18-5-27—10,00,000.

C/4.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

PRESS TELEGRAM.

OFFICE OF THE MAHARAJA OF MYSORE
DELIVERY
No.

(3)

Structure) of the country and the future progress of trade commerce art industry etc with sad consequence of considerable reducing govt revenue we therefore earnestly pray may it please your highness to kindly consider our prayer in full — Sense of justice and equity before giving final order for passing of the bill to be made into an act and to apply to the area of Mysore and bangalore and again with the Sind shikarpur bankers hope our prayer will receive a just response at the hands of your — Highness we always pray for the long life and prosperity of your highness may it pleaseth your Highness to grant us exclusion from the bill is our earnest appeal.

Lunadisingh Sahansingh
President / Sind Shikarpur
Bankers Bangalore Mysore
at their head office

Read p. 9 b
in 9/14

Lal Chand & Sons, Printers, Calcutta—No. 139 R(B-58)—18-5-37—10,00,000.

C/4.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

PRESS TELEGRAM.

O.VF.SHIKARPUR.SIND.17.REDIRECTED FROMMYSORE.511.

THE DIWAN OF MYSORE MYSORE BANGALORE

WE THE SIND SHIKARPURI BANKERS WHOSE FIRMS ARE SITUATED IN BANGALORE AND MYSORE FOR LONG AGES HAD FIRST SUBMITTED OUR HUMBLE MEMORANDUM REQUESTING THAT MONEYLENDERS BILL SHOULD NOT BE MADE APPLICABLE TO US REGRET TO FIND THAT NO CONSOLATION HAS BEEN SO FAR AFFORDED TO RELIEVE US FROM THE EPEDIMIC OF THE BILL UNDER CONTEMPLATION WE ARE THE CLASS OF BANKERS WHO DO NOT COME UNDER THE CATEGORY OF MONEYLENDERS AS WE DO NOT DEAL WITH PETTY PEOPLE BUT WE CARRY ON BANKING BUSINESS ON A VERY LARGE SCALE AND DEAL WITH TRADING CLASSES MILLOWNERS MANUFACTURERS AND OTHER MERCANTILE PEOPLE ON WHOM DEPENDS THE PROSPERITY OF THE COUNTRY WE ARE NOT THE CLASS OF MONEYLENDERS WHO HARRASS DEBTORS OR GO TO THEIR HOUSES OR CREATE ANY CONFLICT WITH OUT CONSTITUENTS THE BILL IS INTENDED TO SAVE THE POOR IGNORANT DEBTORS WHEREAS SUCH NOT BEING THE CASE WITH OUR CLIENTS WHO ARE LITERATE AND VERY SENSIBLE BUSINESSMEN HENCE ALSO IT SHOULD NOT APPLY TO US IN ALL RESPECTS OUR DEALINGS ARE LIKE MYSORE IMPERIAL AND CENTRAL BANKS WHO IF NECESSARY MAY BE REFERRED TO REGARDING OUR RESPECTABILITY INTEGRITY ETC THE B-ILL IN ALL ITS FORM IS HARRASSING AS WE FORESEE ALL THE CONSEQUENCES OF ITS THREATENING CONSTRUCTION IN NO AREA OF BRITISH GOVT THE MONEYLENDERS BILL HAS BEEN SO SHAPED AND MOULDED AS IN THE MYSORE STATE THE MYSORE STATE IS THE STATE OF RAM RAJAND TO PASS SUCH LAWS ESPECIALLY FOR THE QUIET AND PEACEFUL DOMCILED SUBJECTS OF OUR STYLE WILL MEAN MEAN NOTHING BUT TO FORCIBLY DRIVE THEM AWAY FROM THE DOORS OF THE DOMINION WE FINANCE THE PEOPLE THERE WITHOUT ANY SECURITY ON SMALL RATES OF INTEREST WITH REASONABLE FACILITIES FOR REPAYMENT AND WITH ALL FAIRNESS AND JUSTICE REQUIRED OF A BEST BANK AND A BANKER THE FACILITIES AS WE AFFORD CANNOT BE GIVEN BY ANY BANK WITH ALL THE BEST AND HONEST BANKING HABITS ROOTED IN US WHICH THEM -SELVES SPEAK ABOUT OUR BUSINESS AND WITH ALL OUR PEACEFUL LIVING

J. C. Chand & Sons, Printers, Calcutta—No. 139 R(B-58)—18-5-37—10,00,000.

C/4.

7690/P

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

PRESS TELEGRAM.

OFFICE OF THE
PRIME MINISTER OF COUNCIL
JUN 21 1939
No. 6005/2

CENTRAL GOVT
18 JUN 39
R.O.

(2)

LIVING.

LIVING IF WE BE HARRASSED BY THE APPLICATION OF THE BILL IT WILL BE PUTTING US INTO UNNECESSARY AWE AND FEAR AND WILL DESTROY THE BEST ECCONOMIC STRUCTURE OF THE COUNTRY AND THUS MAR THE FUTURE PROGRESS OF TRADE COMMERCE ART INDUSTRY ETC WITH SAD CONSEQUENCE OF CONSIDERABLE REDUCING GOVT REVENUE WE THEREFORE EARNESTLY PRAY MAY IT PLEASE YOUR HIGNESS TO KINDLY CONSIDER OUR PRAYERS IN FULL SENSE OF JUSTICE AND EQUITY BEFORE GIVENG FINAL ORDER FOR PASSING OF THE BILL TO BE MADE INTO AN ACT AND TO APPLY TO THE AREA OF MYSORE AND BANGALORE AND AGAIN WITH THE SIND SHIKARPURI BANKERS HOPE OUR PRAYER WIBL RECEIVE A JUST RESPONSE AT THE HANDS OF YOUR HIGHNESS WE ABBAYS PRAY FOR THE LONG LIFE AND PROSPERITY OF YOUR HIGHNESS MAY IT PLEASE-TH YOUR HIGHNESS TO GRANT US EXCLUSION FROM THE BILL IS OUR EARNEST APPEAL . LUNADISINGH SATRAMSINGH PRESIDENT SIND SHIKARPUR BANKERS BANGALORE MYSORE AT THEIR HEAD OFFICE.

KHANNA
MY ,N 4 16/45

The Secretary to Govt, Law Deptt, with Compts

B.O
Ce. 19/6
P.S.D

PRIME MINISTER'S OFFICE
M.2746

SECRETARIAT
20 JUN 1939
CALCUTTA

20/6/39 Ce 19/6 for perusal 1st Member

21/6/39 21/6

Bengal Secretariat Book Depot & Sons' Printers, Calcutta—No. 139 R(B-58)—18-5-37—10,00,000.

TEL } GRAMS "KATRELA"
PHONE

1830

REV. SECRETARIAT
8 JUL 1939

CODES USED BENTLEY'S
BANKERS: { BANK OF MYSORE LTD.
QUILON BANK LTD.

MISRILALL PARASMALL

INDENTORS TO THE BANGALORE WOOLLEN, C. & S. MILLS CO. LTD.,
& THE BUCKINGHAM & CARNATIC MILLS LIMITED.

SELLING AGENTS FOR:
THE MYSORE GOLD THREAD CO. LTD.,
&
THE NELLIMARLA JUTE MILLS LTD.

NO. 10, DEWAN SURAPPA'S LANE,
CHICKPET, BANGALORE CITY,

.....7th July.....1939.

DEWAN'S OFFICE
7 JULY 1939
No. M 42

To

The Dewan of Mysore,

Bangalore.

Respected Sir,

Re. The Money Lenders' Bill

I have the honour to inform you that at a meeting held by the Marvari Community on the First instant. at my place of Business, it was unanimously passed, that a memorandum should be submitted, by me, on behalf of the Community, to your good-self, duely signed by all the members of the Community. Accordingly I forward herewith the same with the needful done.

I shall be very glad if the memorandum is favourably considered when framing the rules. A line in reply will be highly appreciated.

Thanking you in the mean-while,

I have the honour to be,
Sir,
Your most obedient servant,
Misrilall.
President,
of the Marvari Money Lender
Bill/held on the 1st Inst.
meeting

To

AMIN-UL-MULK

SIR MIRZA M. ISMAIL, K.C.I.E., O.B.E.,

DEWAN OF MYSORE,

BANGALORE.

Respected Sir,

We, the Money Lenders of the Marwari Community of the Mysore State, most respectfully beg to submit this Memorandum praying that Your Honour at the helm of the Benign Government of Mysore, may be pleased to accord us exemption from certain Acts of the Money-lenders Bill:-

1. We beg to submit that we have been doing the Money-lending business in this Model State for the last 40-50 years on very reasonable and moderate terms. Our transactions have always been helpful to the people, whether poor or rich, and we can state with confidence that our Community has never been aggressive in making collections of loans or ever been unfair in carrying on this business.

2. While appreciating the measures taken by the Benign Government in obtaining power through the Money-lenders Act to control certain classes of money-lending with a view to improve the morale of the money-lending business in the State, we respectfully submit that certain Clauses in the Act are likely to adversely affect the interests of the poorer classes of Money-lenders, as well as those of the public, if suitable Rules are not framed to safeguard their interests.

3. The

3. The first of these is Section 9 of the Act. This Section, relating to the maintenance of Accounts in "such form, language, script and numerals as the Government may prescribe." The Marwari people are all the while maintaining their Accounts in Hindi which is now the Lingua Franca of India. There are many difficulties for them to change it now to any other language if Government do not recognise Hindi also as one of the languages in which the Accounts are to be maintained. Government are encouraging the study of Hindi in the Schools & Colleges, and have thus shown their approval of the language. We, therefore, earnestly pray that, in prescribing the language in which the Accounts have to be maintained under Section 9 of the Act, Hindi might also be included in the list. This favour would go a long way in meeting the difficulties of the Marwari Community.

4. The Second one is Section 14 in the Act, relating to the Pawn-Brokers' interest. We presume the Government might be of the view that, if the same rate of interest is applied to all classes of money-lenders, the poor will be unable to borrow, as no money-lender will pay him money on such a low rate of interest, and thereby the poor will be relieved from the evil of borrowing money.

5. We are of the opinion that borrowing money itself is not an evil in any sense of it, unless and until it is spent in the shape of Fashion or for Fame in the false hope of enhancing their so-called prestige and position, or for purposes of Racing or Gambling. Such sorts of evils should necessarily stopped. Also, strong measures

measures should be taken against those money-lenders who advance monyes on unsecured Loans ~~or~~ on unfair terms & methods. But we, the petty Pawn-brokers and Money-lenders should not be taken to task for the unfair dealings of certain unscrupulous money-lenders for whom the Bill is intended.

6. The poor class of people borrow only when in dire need of money, in order to meet their unavoidable domestic demands; so, this class of people - should not be made helpless. This Section in t h e Act will work a great handicap to both the Pawn-brokers and to the poor borrowers as well. The petty Pawn-broker will surely be not in a position to advance them on low rates of interest at 1½ Pies per Rupee, as he has to make entries of the transactions in different books, also tie a Chit to the different articles pledged and keep the same in safe custody till it is redeemed. Even in the Banks, Fee is charged for such safe custody.

7. The result of this will be that t he person in need of such small short term loan would be left - helpless, and he would be obliged to sell the articles, perhaps the one which he has to use in daily life, to whatever price it may fetch at that juncture, t h u s losing that article once and for all. Conversely, when he has to repurchase such articles for his domestic purposes after a month or two, he certainly has to pay naturally even twice the value he got for his article at the time of selling it. But, on the other hand, if the articles were only pawned, he could get the same article after a month or two by paying a few Annas towards interest, and could be thus easily saved from the

p loss

loss which he otherwise would have sustained by selling it finally.

8. The petty Pawn-brokers differ from the other money-lenders, as their business is mostly limited to small sums, and, in some cases even one or two Rupees. They themselves borrow money at not less than 12% per annum from the big money-lenders, and, if this Section is applied to them, the result of this would be the wiping out of this kind of money-lending business in the State, which will put thousands of poor people in distress and difficulty. With a view, therefore, to mitigate this hardship, we most humbly pray that the Government may be graciously pleased to exempt us from the operation of Section 14 of the Act, in so far as the petty transactions below Rs.50/- are concerned.

9. The Pawn-brokers have been keeping regular Accounts of these transactions and would continue to do so under the Money-lenders Act.

10. With these two Provisions made in the Rules, the Act would generally be acceptable to the Marwari Community, and we assure the Government to co-operate with us in working out this Act successfully.

11. We trust the Government will not enforce the entire Act immediately on the Marwari Community, as they are not too much aggressive and harmful to the public We lay especial stress on the fact that we have always been Law-abiding citizens of this Model State, and we have been actually helpful to industrialize the State by means of our

our money-lending business.

For this act of kindness, we shall ever feel grateful to Your Honour and to His Gracious Highness The Maharaja of Mysore.

We beg to remain,

Respected Sir,

Your most loyal and grateful
Marwari Citizens of Mysore,

Bangalore,
7th July, 1939.

Lalchand moolchand

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P 229

Dated, Bangalore, ~~12th July 1939.~~

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Law Department.

To

Misrilal Parasmall, Esq.,
10, Dewan Surappas Lane, Chickpet,
Bangalore City.

Sir,

Re. the Money-lenders Bill.

I am directed to acknowledge your letter dated 7th July 1939 to the Dewan forwarding a Memorandum signed by all the members of the Marwari Community on the above subject.

I have the honour to be,
Sir,
Your most obedient servant,

for Secretary to Government,
Law Department.

Aga/2.

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 12/7/39

Signed by Mr. K.P.P

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. P229

To

Mistrilal Parasmall Esq
10. Dewan Srinivasa Lane
Chickpet. Bangalore City

Sir,

Re Re Moneylenders Bill.

I am directed to acknowledge your letter dated 7th July 1939 to the Dewan, forwarding a memorandum signed by all the members on behalf of the Marwari Community on the above subject.

I have etc

✓

Secretary to Govt
Law Dept.

IMPERIAL BANK OF INDIA

ALL LETTERS TO BE ADDRESSED TO
THE AGENT
*TELEGRAPHIC ADDRESS
"THISTLE"

1174/5

BANGALORE 22nd August 1939.

No. 95

SECY. TO GOVT. PROTOCOL SECTION 23 AUG 1939 BANGALORE

LAW DEPT 23 AUG 1939 GOVT

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
Bangalore.

3/2/9

Sir,

THE MYSORE MONEY LENDERS' ACT.

I have the honour to invite a kind reference to my letter dated the 3rd March 1939, a copy of which is enclosed herewith for your ready reference, and shall be glad to know if arrangements have been made to exempt the Imperial Bankof India from the application of the Act in the Notification to be issued and the rules being framed.

2. As advised in my letter referred to, the Imperial Bank of India is the accredited Agent of the Reserve Bank of India besides being the principal Bank to the Government of Mysore. It is a concern of the highest standing and should be placed outside the category of ordinary Joint Stock Banks and the smaller concerns against which the Act was framed.

3. I shall be obliged if you will communicate to me the Government's decision in the matter at your early convenience.

I have the honour to be,
Sir,
Your most obedient servant,

(Sd) J.A.Gill.
Agent.

Copy to the Law Secretary to the Govt. of Mysore for information.

Agent. AAB

IMPERIAL BANK OF INDIA.

Bangalore, 3rd March 1939.

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
Bangalore.

Sir,

THE MONEY LENDERS' BILL.

I have the honour to advise that I have perused with considerable interest the draft form of the Money Lenders' Bill which has been read in the Mysore Legislative Council at its recent session and referred to a Select Committee. While I agree with the Authorities that legislation for the control of money lending business is required in order to protect ignorant debtors against fraud and extortion, there are certain provisions in the Bill which may be interpreted to include institutions such as the Imperial Bank of India.

2. The Imperial Bank of India is constituted according to the Imperial Bank of India Act, 1920 (XLVII of 1920), as amended up to 1st April 1935, passed by the British Indian Legislature and the Bank is the accredited Agent of the Reserve Bank of India besides being the principal Bank to the Governmentof Mysore.

3. In the circumstances I conclude that it is not intended that the Money Lenders' Bill will apply to the Imperial Bank of India. I would however be glad if you could kindly make the matter clear beyond all doubt by the inclusion in the Act of some clause statutorily exempting the Imperial Bank of India in such rules that may be framed or Notification issued regarding the application of the provisions of the Bill.

4. I have the honour to request you to be good enough to advise me of the line of action you propose to take in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

(Sd) J.A.Gill.

Agent.

/Copy/

IMPERIAL BANK OF INDIA

ALL LETTERS TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

DEV. SECRETARIAT
23 AUG. 1939

BANGALORE 22nd. August 1939.

No. 895

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
Bangalore.

CHIEF SECRETARY
23 AUG. 1939
GOVT. OF MYSORE

Sir,

THE MYSORE MONEY LENDERS' ACT.

I have the honour to invite a kind reference to my letter dated the 3rd March 1939, a copy of which is enclosed herewith for your ready reference, and shall be glad to know if arrangements have been made to exempt the Imperial Bankof India from the application of the Act in the Notification to be issued and the rules being framed.

2. As advised in my letter referred to, the Imperial Bank of India is the accredited Agent of the Reserve Bank of India besides being the principal Bank to the Government of Mysore. It is a concern of the highest standing and should be placed outside the category of ordinary Joint Stock Banks and the smaller concerns against which the Act was framed.

3. I shall be obliged if you will communicate to the Government's decision in the matter at your early convenience.

I have the honour to be,
Sir,
Your most obedient servant,

Agent.

Enclo.

IMPERIAL BANK OF INDIA.

Bangalore, 3rd March 1939.

The Chief Secretary to the
Government of His Highness
the Maharaja of Mysore,
Bangalore.

895

Sir,

THE MONEY LENDERS' BILL.

I have the honour to advise that I have perused with considerable interest the draft form of the Money Lenders' Bill which has been read in the Mysore Legislative Council at its recent session and referred to a Select Committee. While I agree with the Authorities that legislation for the control of money lending business is required in order to protect ignorant debtors against fraud and extortion, there are certain provisions in the Bill which may be interpreted to include institutions such as the Imperial Bank of India.

2. The Imperial Bank of India is constituted according to the Imperial Bank of India Act, 1920 (XLVII of 1920), as amended up to 1st April 1935, passed by the British Indian Legislature and the Bank is the accredited Agent of the Reserve Bank of India besides being the principal Bank to the Governmentof Mysore.

3. In the circumstances I conclude that it is not intended that the Money Lenders' Bill will apply to the Imperial Bank of India. I would however be glad if you could kindly make the matter clear beyond all doubt by the inclusion in the Act of some clause statutorily exempting the Imperial Bank of India in such rules that may be framed or Notification issued regarding the application of the provisions of the Bill.

4. I have the honour to request you to be good enough to advise me of the line of action you propose to take in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

(Sd) J.A.Gill.

Agent.

/Copy/

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193*

Date of issue 31.8.39

Signed by Mr. P S P.

List of enclosures.....

Copied by.....

Examined by.....

Section

File No.

Serial No.

No. P1295.

To

The Agent
Imperial Bank of India
Bangalore

Re Arrangements to exempt the Govt Co-operative Societies from the provisions of the Mysore Moneylenders Act

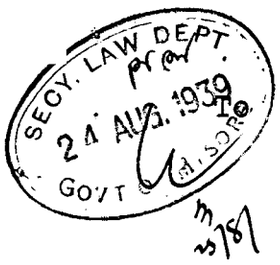
I am directed to acknowledge your letter No 895 dated 22nd August 1939 addressed to the Chief Secretary to Govt and copy of the paper sent to the Law Secretary to Govt, on the above subject and to state that the matter is engaging the attention of Government.

I have the
honour to be
Sir
Your most obedient servant
for Secretary to Govt
Law Dept

Bangalore City,
24th August 1939.

From

Seth Mangoomal Lunidasing,
President, The Sind Shikarpuri Bankers' Association
of Bangalore & Mysore,
Avenue Road, Bangalore City.



1238/F

To

The Law Secretary,
Government of Mysore,
Bangalore.

Dear Sir,

Mysore Moneylenders' Act 1939.

On behalf of The Sind Shikarpuri Bankers' Association of Bangalore and Mysore, I beg to place the following few lines for the kind and favourable consideration of the Government:

Exemption. We pray that the Government may be pleased tp grant an exemption to the members of our Association from the operation of the above Act under powers vested in them under clause 1 (2) of the Act. Our reasons for making this request are:-

1. The object of the Government in bringing forward this piece of legislation, as mentioned in the Statement of Objects and Reasons, was, "to protect ignorant debtors from fraud and extortion." The members of our Association are all respectable and law-abiding persons. They do not resort to any fraud or extortion nor are their dealings with ignorant people. Their dealings are mainly with respectable merchants and industrialists.

2. The members of our Association are Bankers and do not come under the class of moneylenders who are alleged, in the Statememt of Objects and Reasons, as not keeping regular accounts or as not giving receipts or as charging high rates of interest. The members of our Association keep very regular and accurate accounts and pass receipts for all amounts paid to them and their rates of interest are well within those prescribed in the Act.

In short, the members of our Association do not by any interpretation come within the category of the class of moneylenders which the Government seem to have in view while framing this Bill, or the class of moneylenders whose dealings with their clients seem to have inspired the introduction of this legislation.

3. If the Act is made applicable to the members of our Association, some of its provisions are sure to strike at the very root of their business activities in the State and to that extent curtail the facilities afforded by them to the Trade and Industries of the State which we may be permitted to submit are not inconsiderable.

4. Already one of the clauses of the new Act has been unduly taken advantage of against the Bankers in their legitimate pursuits - I refer to clause 23 regarding molestation. If the debtors begin to make greater use of this clause, it will result in enormous difficulties for us in our task of collecting our debts (a task never too pleasant) with consequences which can easily be foreseen.

5. The passing of the Act has resulted in the contraction of credits both to the Bankers and their clients, because of the nervousness it has created in the bill discounting circles as well as in the minds of the bankers. With the very accute depression through which the Trade and Industry of the country are passing at the moment, we feel that the Government of Mysore which has always shown a solicitude for the smooth running and progress of legitimate pursuits of their people will not do anything which will add to the existing distress of the mercantile community. Any contraction of credit at this time is bound to result in trouble all round.

6. It is hardly necessary for us to refer to the status which the Sind Shikarpuri Bankers enjoy in the banking circles of India.

Appendix F G—1]

SUBJECT.....

.....

.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. P1676.

Dated, Bangalore, ~~10th September~~ 11 1939.

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Law Department.

To

The President,
The Sind Shikaripur Bankers' Association,
Avenue Road, Bangalore.

Sir,

Mysore Money Lenders Act, 1939.

I am directed to acknowledge your letter of the 24th August 1939 on the above subject requesting that the members of the Sind Shikaripur Bankers' Association may be granted exemption for all or certain of the provisions of the Mysore Money Lenders Act, 1939 and to state that the matter is receiving the consideration of Government.

I have the honour to be,
Sir,
Your most obedient servant,

for Secretary to Government,
Law Department.

Copied by.....

Examined by.....

WD 0563—GPB—30,000—6-1-39

J.A.Gill, 1953/P

c/o IMPERIAL BANK OF INDIA

REV. SECRETARIAT. CH. 20. SEP. 1939

LETTERS TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

BANGALORE 18th September 1939

No.

SEP. 1939 GOVT OF MYSORE

My dear Mr.Subrahmanya Aiyar,

Mysore Money Lenders' Act.

In continuation of my letter of the 7th instant and with reference to our recent conversation, I have now received definite information regarding the exclusion of Banks from the Central Provinces Reduction of Interest Act 1936. The exemption is provided for in the definitions.

> "Creditor" means a person to whom a debt is owing, but shall not include a co-operative society being a society registered under the Co-operative Societies Act, 1912, or a land mortgage bank established under the same Act or any other enactment or a scheduled bank as defined in the Reserve Bank of India Act, 1934."

Similarly in the Bengal Money Lenders' Bill 1939 scheduled banks are exempted and provision is also made for the exclusion of non-scheduled banks subject to notification by the local Government. Commercial loans are also excluded from the scope of the Bill. The exemption is contained in the definitions under the heading of "Loan" as follows:-

> "Loan" means an advance, whether of money or in kind, made on condition of repayment with interest and includes any transaction which is in substance a loan but does not include —
> (a) a deposit of money or other property,
> (b) a loan to, or by, or a deposit with any society or association registered under

the

the Societies Registration Act, 1860, or under any other law relating to public, religious or charitable objects;

(c) a loan taken or advanced by any Government in British India or by any local authority in Bengal;

(d) a loan advanced before or after the commencement of this Act —

(i) by a bank which was a scheduled bank on the first day of January, 1939, or by a bank which has been declared to be a notified bank under section 3, whether or not such bank was a scheduled bank or was so declared to be a notified bank, as the case may be, at the time the loan was advanced; and

(ii) by a Co-operative Life Insurance Society, Co-operative Society, Insurance Company, Life Assurance Company, Mutual Insurance Company, Provident Insurance Society or Provident Society or from a Provident Fund;

(e) an advance made on the basis of a negotiable instrument as defined in the Negotiable Instruments Act, 1881, other than a promissory note;

(f) a commercial loan;

(g) a loan advanced to any person for the purchase or construction of a house or for the construction of a house together with the purchase of the site thereof, within the limits of the area defined by clause (11) of section 3 of the Calcutta Municipal Act, 1923, or of any area which has been or may hereafter be constituted a municipality under the Bengal Municipal Act, 1932, if such loan is subject to the condition of repayment by instalments extending over a period of ten years or more. "

For your information, perusal and return (they are the only copies in my possession) I enclose —

(a) Central Provinces Reduction of InterestAct 1936.

(b) Central Provinces Reduction of Interest (Amendment) Act 1938.

(c) Bengal Money Lenders' Act 1939.

the Societies Registration Act, 1860, or under any other law relating to public, religious or charitable objects:

(c) a loan taken or advanced by any Government in British India or by any local authority in Bengal:

(d) a loan advanced before or after the commencement of this Act —

(i) by a bank which was a scheduled Bank on the first day of January, 1939, or by a bank which had been declared to be a notified bank under section 3, whether or not such bank was a scheduled bank or was so declared to be a notified bank, as the case may be, at the time the loan was advanced; and

(ii) by a Co-operative Life Insurance Society, Co-operative Society, Insurance Company, Life Assurance Company, Mutual Insurance Company, Provident Insurance Society or Provident Fund;

(e) an advance made on the basis of a negotiable instrument as defined in the Negotiable Instruments Act, 1881, other than a promissory note;

(f) a commercial loan;

(g) a loan advanced to any person for the purchase or construction of a house or for the construction of a house together with the purchase of the site thereof, within the limits of the area defined by clause (ii) of section 3 of the Calcutta Municipal Act, 1923, or of any area which has been or may hereafter be constituted a municipality under the Bengal Municipal Act, 1932, if such loan is subject to the condition of repayment by instalments extending over a period of ten years or more. "

For your information, perusal and return (they are the only copies in my possession) I enclose —

(a) Central Provinces Reduction of Interest Act 1936.

(b) Central Provinces Reduction of Interest (Amendment) Act 1938

(c) Bengal Money Lenders' Act 1939.

Once more, I will be most grateful to you if you will kindly exert your influence in the matter of the total exemption of the Imperial Bank from the Mysore Money Lenders' Act.

Yours sincerely,

Enclo.

C.Subrahmanya Aiyar,Esq.,B.A.,
Law Secretary to the
Government of Mysore,
Bangalore.

D.O. No. P.213/
Secret 3.

20th September 1939.

MYSORE MONEYLENDERS ACT.

I am desired to acknowledge your letter of the 18th instant regarding the exemption of the Imperial Bank from the provisions of the Mysore Moneylenders Act and to state that the matter is receiving the attention of Government.

The enclosures received with your letter under reply are returned herewith.

h

J.A. Gill, Esq.,
Agent, Imperial Bank of India,
Bangalore.

3785 39

IMPERIAL BANK OF INDIA

Leg: 37-39-13

ALL LETTERS TO BE ADDRESSED TO
THE AGENT
TELEGRAPHIC ADDRESS
"THISTLE"

9 - DEC. 1939

BANGALORE 7th. December 1939.

No.

Dear Mr.Subrahmanya Aiyar,

MYSORE MONEYLENDERS ACT.

I have to request your kind reference to your D.O.No.P.2137 of the 20th September regarding the exemption of the Imperial Bank from the provisions of the Mysore - Moneylenders Act.

I shall be most grateful if you will be good enough to let me know if the Government has come to any decision in the matter and what action it is proposed to take.

Yours sincerely,

C.Subrahmanya Aiyar,Esq.,B.A.,B.L.,
Secretary to Government,
Law Department,
Public Offices,
Bangalore.

Do no. P4349

21st December 1920.
22nd.

Y[illegible] [illegible] -3 -IT.

Dear Sir,

I am desired to acknowledge your letter of the 7th instant requesting to be informed whether the Government have come to any decision regarding the exemption of the Imperial Bank from the provisions of the Moneylenders Act, and to state that the matter is under consideration.

Yours sincerely,

[signature]

J. [illegible], Esq.,
Agent, Imperial Bank
of India, BA[illegible]

LAW DEPT.
4 JAN. 1940
GOVT OF MYSORE

43 [illegible] 1939
P

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."

All Communications to be addressed
TO THE MANAGER.

Bangalore 3rd January, 1940.

№ M.6.

The Law Secretary to
the Government of His Highness
the Maharaja of Mysore,
Bangalore.

Dear Sir,

As you are aware, the provisions of the Mysore Money Lenders' Act will shortly come into force.

In sanctioning the measure, I am authentically informed, it was not the intention of Authority that the terms thereof should apply to The Bank of Mysore Ltd., in its normal Banking activities. I have the honour to request, therefore, that you will be good enough to cause a Notification to be published, authorising the exemption of this Institution from the enactment mentioned above.

Yours faithfully,

MANAGER.

RN.

4758/39-2

12th January 1940.

XXXX

Law Department.

The Manager,
Bank of Mysore, Ltd.
Bangalore.

Dear Sir,

MYSORE MONEYLENDERS ACT, 193..

With reference to your letter No.1.6 dated the 3rd instant requesting that a notification may issue exempting the Bank of Mysore from the provisions of the above mentioned Act, I am directed to state that the matter is engaging the consideration of Government.

Yours faithfully,

for Secretary to Government
Law Department.

No. 2210. P 5543/Misc.
Legis 37-39-14

9th February 194'.
12

MYSORE [illegible] MONEY-LENDERS ACT, 1939.

I am desired to invite attention to correspondence on the above subject ending with my D.O. letter No.[illegible].4649 dated the 22nd December 1939 and to enclose a copy of Notification exempting the Imperial Bank of India and its Branches from the provisions of the Act. Rules and Notifications under the Act have been published in the Mysore Gazette of the 8th instant (Part IV).

J.A.Gill, Esq.,
Agent, Imperial Bank of India,
Bangalore.